

We are responding to your public interest conclusions. We support your conclusions on plurality but disagree with them on broadcasting standards for the reasons we set out below.

Our argument on broadcasting standards is as follows

I. Summary of Case:

1. The key broadcasting standards in the Communications Act 2003, ss319-20, with which you are concerned in this Reference are due accuracy, due impartiality and special impartiality in respect of 'matters of political or industrial controversy' or 'matters of current public policy'. In respect of special impartiality the code states "all expressions of the views or opinions of the person providing the service" must be excluded. And s320(6) makes clear that in respect of matters of major political, industrial or policy controversy higher standards of impartiality are required.
2. The burden of showing compliance with the standards is on Fox and the Murdochs. They must present sufficient evidence to satisfy you that they have the requisite commitment. It is not for you to assume they have it in the absence of evidence to the contrary.
3. In the context of the CMA's provisional finding that the effect of the Transaction will be to give MFT the power to influence the editorial position and agenda of Sky News to the extent that it could in its opinions and views align with MFT's other media outlets including its newspapers, we believe the key question for you in respect of broadcasting standards is whether the Murdochs have a genuine commitment to the broadcasting standards set out in paragraph 1 above.
4. The evidence shows that in every news outlet over which he has full control Rupert Murdoch's "views or opinions" clearly infect the output.
5. Whilst the evidence of the compliance record of Sky and Fox in the UK is of some relevance to whether the Murdochs have a genuine commitment to the UK broadcasting standards set out in 1 above, it cannot have the central - indeed, decisive - relevance which you give it. In respect of Sky, because that evidence relates to a period before the Transaction, when the MFT did not have the control over Sky it will have after it. In the words of the CMA "...The extent of control exercised by the MFT is significantly constrained by non-Fox shareholders and Sky's independent directors. These constraints apply to the extent of control that is exercisable by the MFT over Sky and Sky News..."(paragraph 7.38, provisional findings)
6. In respect of Fox, all save one of its channels are not materially concerned with news and current affairs. The broadcasting standards objectives with which the reference is concerned relate to news and current affairs. So this record tells us virtually nothing about the issue before the CMA. In respect of the one channel which is a news and

current affairs channel, Fox News, the evidence suggests that it was repeatedly in breach of its UK broadcasting regulatory obligations until it was taken off the air in August 2017, when it began to face serious regulatory scrutiny. Fox's admission to you that it was closed down because of the "*increasing number of complaints received*" is significant because it amounts to an admission, contrary to the public explanation previously offered, that the channel ceased broadcasting because it was not and could not be compliant. Fox's contention that the increased number of complaints about Fox News in 2017 was merely the product of the campaign against their bid for Sky does not explain why they felt the need to take the channel off air in the UK. Why would they have done so if they believe those complaints to be groundless?

7. To reach a conclusion, therefore, that the Murdochs will have the genuine commitment on the basis of the compliance evidence around Sky and Fox is logically flawed and flies in the face of the evidence. The compliance evidence raises serious doubts about whether the Murdochs have the requisite commitment to the relevant Broadcast Standards (because of the Fox News position), and at best from their point of view is neutral. In our view it is negative, because Fox only put compliance arrangements in place for Fox News after Ofcom inquired into whether these existed, and then took a further several months to realise that their channel had no hope of being UK-compliant and take it off air. At any rate, it certainly cannot provide evidence from which any assurance at all can be drawn that they do have the required commitment to broadcasting standards, a commitment the CMA's own findings say *must* go beyond simply *positive* compliance.
8. You also refer to the evidence of foreign compliance by Fox and Sky. Again that is of no value in respect of Sky, for the reason given above, is of only limited assistance even in your analysis, and in any event mostly relates to non-news and current affairs channels. Compliance in the USA by Fox News tells us little that is positive about their attitude to compliance with UK standards when the restraint imposed by US standards is so limited.
9. You are rightly clear in your Report that you will be looking for something more than simply assertions of commitment to standards. You have to look at what the facts, in particular about the detail of compliance, show. The relevant evidence is as follows:
 - 9.1 The evidence, set out extensively in your Report, that Murdoch media outlets bend towards the views of the Murdochs, and expressed by Andrew Neil, quoted at paragraph 7.42 of your Report: "*[Rupert Murdoch] would always let you know what he thought as opposed to what you should do but you always got the impression that if you steered away from what he thought, then your leasehold on the newspaper may not be for a long while*"
 - 9.2 The evidence of the conduct of the News UK titles up to 2012 which showed flagrant and persistent breaches of the law in connection with the hacking scandals. Fox has told you that News UK have introduced new compliance procedures, but

that was in the face of a huge public scandal which threatened to introduce strong new standards, the forced closure of the News of the World, the setting up of a massive Public Inquiry, criminal prosecutions brought against News UK journalists and the possibility of a corporate prosecution against News UK and its directors. We contend that little, if anything, positive can be inferred from the adoption of new compliance procedures at News UK, since - as with the case of Fox News in 2017 - there was a clear short-term commercial self-interest in adopting these procedures. Again, they cannot be evidence of a positive or proactive commitment to compliance. The notion that the new procedures demonstrate a commitment to good compliance is further undermined by News Corp's decision to re-employ people implicated in the scandals (e.g. Rebekah Brooks and Nick Parker), the private statements made by Rupert Murdoch to the News International journalists in March 2013 (see pp. 81-2 of our initial submission), and the failure of News UK to sign up to a regulator approved by Recognition Panel created by the Royal Charter on press regulation, instead helping to set up and agreeing to be regulated by IPSO, a deeply flawed regulator measured by the standards Lord Justice Leveson set out in his Report and enshrined in the Royal Charter by Parliament. Altogether, the evidence suggests News Corp made only reactive changes to compliance procedures found to have badly failed (or not even to have existed), aimed at heading off legal and regulatory risks to the company: a corporate prosecution of News UK, a Leveson-compliant regulator.

- 9.3 The evidence of the massive regulatory failures at Fox News before and after 2012, in particular in connection with sexual harassment. Fox seeks to rely on the new procedures introduced after 2012, and the fact that the Board of Fox acted quickly once they discovered the wrongdoing at Fox News. The evidence is overwhelming that wrongdoing continued well after 2012 and into 2016, and that it had been going on both before and after 2012. No matter how quickly the Board of Fox acted after they discovered the wrongdoing at Fox News there must have been something fundamentally wrong with the governance procedures if the wrongdoing could have persisted as long and as flagrantly as it did.
- 9.4 The evidence of the Murdoch's failure to comply adequately with the Undertakings given in 1981 in respect of the Times and the Sunday Times. The evidence in particular from Andrew Neil and Harold Evans shows that the Murdochs have not regarded and have not treated these undertakings as an effective means of insuring the independence of editorial control at the Times and the Sunday Times. This is of course significant when considering whether or not MFT/the Murdochs have genuine commitment to impartiality and insuring that editorial independence is preserved at Sky News.
- 9.5 The one news channel which Fox have controlled, which has broadcast to the UK was almost certainly in repeated regulatory breach in respect of due impartiality and probably in respect of accuracy as well, and was taken off the air by Fox when it

came under regulatory scrutiny in the course of this merger process. We contend that the contradictory explanations which Fox have given in respect of their reasons for broadcasting to the UK then stopping broadcasting suggest that they were broadcasting certainly aware of the regulatory risk they were taking but hoping that they would not be penalised for it, and when subjected to scrutiny, they withdrew.

- 9.6 The Murdochs have expressed their disagreement with UK broadcasting regulations on a number of occasions. Although these were some time ago, there is no reason to suppose those views have changed.
10. As against the material set out in paragraph 9 above, which is strongly suggestive that the Murdochs will not be genuinely committed to the attainment of the broadcasting standards set out in paragraph I.1 of this document, has to be set the facts that Sky has a record of compliance which is no worse than comparable broadcasters, and Fox, in its non-news and current affairs channels, has a similar record of compliance. For all the reasons set out above that evidence if anything tends to support the conclusion they lack the necessary commitment (because of the evidence on Fox News) but is at the very best neutral. The weight of the evidence therefore comes down overwhelmingly in favour of the conclusion that the Murdochs are not genuinely committed to the relevant broadcasting standards.
11. The correct conclusion to reach, analysing the evidence properly is that the Murdochs do not have a genuine commitment to the attainment of broadcasting standards identified in I.1 above, and those standards are of sufficient importance for you to conclude that the Transaction will operate against the public interest.

II. Discussion

1. The key broadcasting standards requirement is for “due accuracy and due impartiality” and ‘special impartiality’ for matters of political or industrial controversy and current public policy”. It is also clear from the CMA’s analysis that the letter and spirit of the standards both matter such that “something more than a positive record of compliance is required” (paragraph 13.22, provisional findings). This leads to a conclusion that “...To demonstrate the genuine commitment required...the relevant person must show that effective steps have been and/or will be taken to promote and support a culture within the relevant media enterprises in which the broadcasting standards objectives are attained” (paragraph 13.24).
2. In considering whether the Murdochs have a genuine commitment to the attainment of the broadcasting standards it is for them to satisfy you they have that commitment. They have much of the evidence in their control. The Secretary of State considers there is an issue about their genuine commitment. They are asking to be allowed to significantly extend their control over the broadcast media. This Transaction will significantly increase the MFT’s reach as a provider of news and current affairs

making it on any view the only provider across all four platforms, and the third most significant provider throughout the whole of UK media providers. The burden is upon the Murdochs to satisfy you they have the requisite genuine commitment. You should not assume they have that commitment without clear evidence to show it.

3. The judgment you make on this matters significantly to the quality of democratic debate in the UK. In the light of the influence the Transaction will give the Murdochs as you have assessed in your report, you are entitled to expect a high degree of assurance they have the required genuine commitment.
4. Although there is little doubt what the relevant broadcasting standards mean, the significance of the reference to spirit as well as letter is that you must be satisfied that they are genuinely committed to substantial compliance, and their approach is not just to the minimum required to stay technically within the law even though their aim might be, for example, to bend Sky News as much as possible to the views of their papers and to the Murdochs' agenda.
5. We note the conclusions of the CMA that these standards still make it "permissible for a broadcaster to have a particular editorial focus or set of interests which it tends to promote or pursue...[including] decisions as to which items to cover or which to omit; the amount of airtime to give to particular stories or issues; the prominence accord to particular type of stories or the tone of coverage or the analytical level at which it is pitched"(paragraph 5.28).
6. The effect of these standards is that the broadcaster can take a stance on what is important, can make choices about what stories to run, can allow authored pieces to be aired on the service which favour a particular point of view, and can make its own interpretation of the news. And it can tailor its services to its audience's expectation. But none of these points detract from the two basic requirements of the broadcasting standards in the Act:
 - 6.1 they cannot broadcast the views of the providers of the service (save in limited respects);
 - 6.2 on issues of political, industrial or public policy controversy they must be impartial, and the more major the controversy the more impartial they must be.
7. In the context of Sky News, a trusted impartial broadcaster, that means it must not become a means by which the views of Rupert Murdoch are propagated, directly or indirectly, and it must remain impartial in political controversy. It means no editorial slant towards one side or the other on the most controversial issues like Brexit, President Trump or in the past, the Iraq war, or day to day matters of political controversy like immigration or taxation.

8. If Sky News sought to align its views with the Murdoch papers, which are partisan on major issues of political controversy it would be breaking both the requirements set out in paragraph 6 above. To coincide on some issues would not necessarily mean alignment, but over decades the alignment sought by Mr Murdoch and the outlets he controls has been on the major political controversies of the day such as the Iraq war. By having as many outlets aligned as possible, the Murdochs greatly strengthen their political and therefore commercial position, as we argued in our initial submission (see pp. 51-2).
9. Your provisional conclusions on plurality are relevant to the assessment on broadcasting standards, in that they show that a key focus of the inquiry into whether the Murdochs have a genuine commitment to the attainment of broadcasting standards must be on the standards identified in para I.1 of this document. Of course the other broadcasting standards matter, and the record of compliance in non-news channels is relevant to those standards. But the conclusion of your plurality findings is that the Transaction gives Fox the means to align the Sky News editorial position, agenda and views with the Murdoch papers.
10. The key questions of enquiry on broadcasting standards and the ones where it is clear the Murdochs have a burden to discharge is: why does Rupert Murdoch's history not demonstrate that he gets his media outlets to reflect his views and why will this not also apply to Sky and Sky News once he gets the substantial extra control that you have demonstrated he will obtain from the Transaction?
11. You conclude that the effect of the takeover will be that it will allow the MFT to exercise significantly increased control over the management of Sky's business through setting the strategic direction, commercial objectives, and budget, and the Murdochs will more easily influence senior appointments at Sky News. You further conclude that although the takeover will not give them full control over editorial output it will give them the capacity to influence that output and get Sky News to change its editorial positioning and agenda in particular to align the position of Sky News with the agenda of its papers (which do not have to be impartial - see paragraphs 41-2, 48); and that the Transaction gives the Murdochs the power potentially to reduce the independence of Sky News from the News Corp titles (paragraph 49).
12. In relation to plurality and broadcasting standards, you do not offer a judgement on the extent to which, taking his record and outlets as a whole, Rupert Murdoch has sought editorial alignment. We believe it is clear from his record that he has done so, across his newspapers and broadcast outlets (as detailed in our previous submissions - see in particular pp. 60-70 of our initial submission and all of our supplementary submission of the 8th of December 2017 on the Trump-Murdoch relationship in the United States).
13. Every Murdoch newspaper across the world supported the Iraq War. In relation to broadcasting, Fox News may currently offer the most extreme content of any major Murdoch outlet but in its focus on issues such as immigration, national security, and

attacks on other 'liberal causes' it is absolutely consistent with other Murdoch-controlled entities.

14. Your assessment of Sky News Australia concludes that there has been an increase in right-wing voices since News Corp gained full control and that there are increasing signs of greater crossover of News Corp personnel, but that overall these trends were also evident before the takeover. We suggest that this conclusion is absolutely consistent with the pattern of ownership by News Corp. They were part-owners when these trends started, and they have increased since they took complete control.
15. The history of the Murdochs is that they do seek editorial alignment of their outlets in a way that is distinctive and particular to their pattern of ownership. Alignment is possible and likely if the Transaction goes ahead. It is what they normally do, irrespective of undertakings conceded to regulators (see the Times 1981 undertakings which you consider to be questionable in their effectiveness in maintaining the independence of the Times and Sunday Times).
16. Your approach to the question of whether the Murdochs have a genuine commitment to broadcasting standards is on the basis of a) their record in the UK; b) their approach outside the UK; c) their approach to wider regulatory compliance and corporate governance. And draws no distinction between the broadcasting standards identified in I.1 above, and the other broadcasting standards.
17. On a) the relevant channels are Fox's 12 channels currently broadcasting in the UK, Fox News in the UK (which ceased broadcasting last year) and Sky News. Beginning with Fox's 12 channels still broadcasting, we believe that you place undue weight on these channels, since they are almost entirely non-news channels. The issue with the Murdochs in relation to the broadcasting code is about their approach to news and opinion content, not nature programming, movies or financial and business news, the output of these channels. As you say "Each of these channels predominately broadcast pre-recorded content and very rarely show news or current affairs or report on matters of political or industrial controversy" (paragraph 14.53).
18. Given that the point at issue around broadcasting standards is about news and opinion on matters of public policy and political controversy, which does not feature on these channels, we do not agree with your conclusion that the record on these non-news channels is "*most informative in relation to Fox's commitment to the attainment of the broadcasting standards objective*" and that it provides "*strong evidence of a genuine commitment in the attainment of broadcasting standards objectives*"(paragraph 14.112). Indeed, we believe it tells us virtually nothing about the Murdochs' commitment to the broadcasting standards which concern news and current affairs.
19. The record of Fox News in the UK is relevant, since this is the only news channel in the UK that the Murdochs have ever controlled to the extent to which they will control Sky News post-takeover. It is instructive in this context that Fox had no compliance

procedures in place and that the CMA finds it has far more Ofcom breaches per 100,000 viewers than Russia Today or Al Jazeera (p. 260).

20. You accept as “*credible*” the explanation given by Fox for the absence of procedures for Fox news to comply with UK standards, namely that it broadcasts to the US primarily and its viewers know that, so it was appropriate and proportionate to make no effective attempts to comply with UK standards.

21. Fox have a substantial compliance function across all of their channels. It is very unlikely they did not consider the regulatory risks of broadcasting Fox News to the UK. They have not disclosed as far as we are aware what that assessment of regulatory risk showed. They must have known that Fox News would give rise to regulatory risks in the UK. When they stopped broadcasting in the UK in August 2017 they said “commercial interest” was the reason for stopping. When asked by you why they stopped, their oral evidence was because of the “increasing number of complaints received”. We note that your report states the increase in complaints from 2016 to 2017 was from 9 to 11. Their later explanation seems wholly implausible on the basis of the volume of complaints, and if the complaints had not been valid, it should certainly not have necessitated closing down the channel.

22. The much more plausible explanation for the closing down of the channel in the UK is that Fox did not believe it was, or could be compliant, with the Code. The underlying picture is that Fox News was likely to have been consistently breaching UK broadcasting standards for years, but those breaches went undetected because (a) its small UK viewership were seeking it out because they liked the kind of news it provided, and were therefore unlikely to complain about that news; and (b) Ofcom (understandably) did not prioritise monitoring the output of a channel with a small UK audience, therefore detecting few breaches. As a result, few code breaches were detected though many were likely being made. However, when Ofcom did routine monitoring of Fox News’s output in August 2016, it reached the conclusion that several episodes of a primetime Fox News show, the Hannity programme, was clearly and strongly biased in its coverage of the US presidential election. Then when serious scrutiny of Fox News’s output occurred in 2017 as a result of the bid, complaints about its output rose because more breaches were detected. Fox realised these complaints were likely to result in Ofcom rulings against the channel because they knew their channel regularly breached the code (a code against which James Murdoch had previously railed in his 2009 MacTaggart lecture), and decided to take it off air in order to smooth the path of their acquisition of Sky.

23. This is clearly the most likely explanation of the events in question. The action taken was only ever reactive, and the initial step taken, of introducing compliance procedures, was inadequate for a channel so routinely in breach of UK standards, as the Murdochs acknowledged by their decision to stop broadcasting the channel in the UK. This episode demonstrates that the Murdochs scramble to comply with regulations once they

see a clear short-term commercial interest in them doing so - in this case, securing the passage of the Sky bid. It also demonstrates that they were responsible for a channel which, in its very purpose of a deeply ideological, slanted output, was very likely to be in breach of the UK broadcasting code. It certainly cannot be taken to demonstrate a positive commitment to UK broadcasting standards.

24. You also relied on the compliance record of Sky News. Given that you provisionally conclude there is a qualitative change in the degree of control by the Murdochs post-takeover, we believe little inference can be drawn about their commitment from the record of Sky News. You say that “*Sky News is managed independently from the MFT and...while the MFT does have material influence over Sky, the extent of control is significantly constrained by the presence of independent directors*” (paragraph 7.74). “*Rupert Murdoch has no formal responsibilities for the management or governance of Sky. This is in contrast to his involvement with Fox and News Corp. we have not identified any evidence to suggest that Rupert Murdoch exercises informal influence over the editorial position of Sky News.*” (paragraph 7.80). Your plurality findings are therefore expressly based on the conclusion that Rupert Murdoch has not had influence over Sky News, and therefore the record of Sky News’s commitment to the broadcasting standards cannot evidence what Rupert Murdoch’s commitment to those standards would be after the Transaction.

25. Nor do the executive roles of Rupert Murdoch in the past or James Murdoch at present make the record of SKY notably more relevant because the CMA finds they are similarly constrained. As you explicitly note: “We set out earlier our provisional view of how the MFT exercises control over Sky through its shareholding and James Murdoch’s role as Sky’s Chairman. In both instances, our provisional view is that the extent of control exercised by the MFT is significantly constrained by non-Fox shareholders and Sky’s independent directors.” (paragraph 7.83)

26. The correct conclusion from looking at the conduct of Murdoch controlled companies record on compliance with the broadcasting standards identified in I.1 is doubt as to whether they have shown the requisite genuine commitment because of their conduct in respect of Fox News. Most certainly not, as you have found, that this is the central evidence demonstrating they are genuinely committed to those standards. This scepticism is reinforced by a wider look at the Murdochs’ record at their news outlets.

27. Our case is that the Murdochs have not simply sought editorial alignment, but their outlets have demonstrably flouted the law and regulation. In particular we would point to the experiences at News Corp and Fox News. Our previous submission went into this in detail. You say that the events at News Corp “*occurred some time ago*”. You do not offer a judgement on the re-hiring of individuals, such as Rebekah Brooks, on whose watch the wrongdoing happened, or the minimisation of what happened by Rupert Murdoch in his March 2013 speech to newsroom staff. These events are recent and speak powerfully to how little the Murdochs have learnt. You also place excessive weight on

IPSO, a regulator which fails to meet key Royal Charter criteria of independence, which is controlled by the press, and which was set up by newspaper publishers including News UK with the express intention of not seeking the approval of the Recognition Panel established by the Royal Charter on regulation, which was established by cross-party Parliamentary agreement. IPSO's judgements therefore cannot be relied upon as evidence of a positive compliance record, because the whole purpose of boycotting the Royal Charter was to establish another press regulator which - like the PCC - was effectively controlled by the industry. Far from accepting regulation for standards, News UK has led the way in subverting the attempt to implement such regulation by helping to create a captive regulator. News UK's decision to boycott the Royal Charter speaks powerfully to its lack of commitment to compliance where the standards in question might potentially affect its profits. Nor can News UK's behaviour be excused by pointing out that the rest of the press has behaved similarly. None of the other publishers is seeking to own a major broadcaster with a significant news operation.

28. The only positive aspect of this scandal is News UK's institution of new compliance procedures. But these procedures were again adopted *reactively*, in response to a major scandal, massive public outrage, an ongoing public inquiry tasked with making recommendations on press regulation, and criminal prosecutions against News UK employees. There was also the looming threat of a corporate prosecution against News UK, about which News Corp was very concerned because it believed there was a potential risk of losing its US TV licences, and in which as directors of the company at key periods potentially one or both of James and Rupert Murdoch could have been implicated.¹ One way to encourage the CPS not to bring a corporate prosecution is to adopt new compliance procedures. It was therefore overwhelmingly in the Murdochs' short-term commercial interests to adopt new compliance policies at that time. Again, nothing positive about their commitment to compliance can be inferred from them having done so. Positive conclusions therefore cannot be drawn from any aspect of the record of News Corp's UK newspaper titles since 2011; indeed, the opposite.

29. The real test of whether lessons have been learnt from the phone-hacking – and the genuine commitment to broadcast standards that would imply – is whether there was any repeat of a corporate scandal of similar scale. The whole case of Fox and the Murdochs is that the lessons have been learnt.

30. Events at Fox News suggest the reverse. The purpose of changes to corporate governance after 2012, in the wake of phone hacking, was to prevent wrongdoing taking place within a part of the company. Yet we know there was an epidemic of sexual harassment and allegations of racial harassment which these arrangements did not stop. We believe this speaks directly to the compliance of Murdoch-controlled companies with standards and regulation.

¹ <https://www.theguardian.com/uk-news/2014/nov/05/news-international-avoid-charges-phone-hacking-court-told>

31. The fundamental point of the much relied on governance changes of 2012 was to stop massive regulatory and governance failures occurring again in a part of the company i.e. in an area where the top board would not find out about it, as they contended was the position in respect of what was going on in the UK newspaper company. Yet there has been an epidemic of sexual and racial harassment at Fox News that has gone on for years of which the top board were apparently ignorant for years, and for years after 2012. So the very governance vice the Murdochs relied on to exculpate themselves and their fellow directors from responsibility in respect of News International has happened again at Fox News. On any view the compliance procedures introduced in 2012 have proven ineffective.

32. You conclude: “... *We did not find, taking the evidence in the round that the deficiencies in corporate governance that may have contributed to employee misconduct not being identified sooner were motivated by the prioritisation of commercial or other interest over regulatory compliance.*”²

33. We believe, on the contrary, that the reason the employee abuse went on so long was connected to the untrammelled power given by the Fox News board and the Fox board to Roger Ailes, the chief executive, which was motivated by his commercial success, and the privileging of profit over compliance. Megyn Kelly, a former anchor says about her ability to act on harassment by Ailes “*He was the king. I mean, it was like being in North Korea and trying to criticise Kim Jon Un.*”³

34. Rupert Murdoch’s comments to Sky in December 2017 reveal his true attitude to the wrongdoing which occurred at Fox News: “*It’s all nonsense. There was a problem with our chief executive, over the year, isolated incidents... As soon as we investigated he was out of the place in hours – well three or four days. And there has been nothing else since then.*”⁴

35. Contrary to Rupert Murdoch’s assertion, since Ailes left there have been other departures for sexual misconduct – including those of star presenter Bill O’Reilly and Fox News co-president Bill Shine.

36. We also reiterate the shocking evidence of distortion and political machinations around the Seth Rich story. Even within the much looser regulatory constraints of US broadcasting, the apparent disdain for basic journalistic tenets of accuracy and integrity – and the subsequent lack of any contrition by Fox News – bear powerful witness to the real view of standards at Fox. In such a case, where the name of a murdered individual has been profoundly besmirched, a retraction without apology, explanation or

² <https://assets.publishing.service.gov.uk/media/5a66133c40f0b63b5e497847/summary.pdf>

³ <http://people.com/tv/megyn-kelly-roger-ailes-sexual-harassment-fox-news/>

⁴ <https://news.sky.com/story/murdoch-fox-returning-to-our-roots-in-524bn-disney-deal-11170762>

disciplinary action is wholly inadequate. Their approach is deeply alarming in its implications for how Fox as a corporate entity might approach such an episode in the U.K., and we believe the CMA findings significantly understate its importance.

37. Added to the UK broadcast record of the Murdochs, the flouting of the law and regulation at their companies, we would add their expressed contempt for UK broadcast regulation. We note that the CMA also says that this took place a long time ago, but we have no reason to believe that the Murdochs have genuinely changed their mind about their view of this regulation. No reason for so doing so is given by the CMA's findings, and the CMA appear not to have questioned the Murdochs - or anyone else - about those past statements in the course of its investigation.

III. Conclusion

1. The CMA approach the assessment of the evidence on broadcasting standards by taking as its starting point compliance by the Fox and Sky channels, when all save one of the Fox channels are not news and current affairs, and the one that is, failed to comply with the relevant standards. Given that the CMA find Sky is not currently under the control of the MFT, we believe Sky's compliance history cannot be taken as a reliable guide to the Murdochs' future commitment to broadcasting standards.
2. We believe the CMA fail properly to assess and weigh the evidence of:
 - a. the extent to which Rupert Murdoch determines the editorial line of his news outlets and the extent to which it would imperil broadcasting standards if there was alignment of Sky News with his newspapers, something your plurality findings suggests would be possible post-takeover;
 - b. the breaches of the law in connection with hacking at News International papers;
 - c. the extent to which the governance changes at News International were forced on the Murdochs by extreme public pressure and legal risk, and the extent to which they do not show a genuine change of heart;
 - d. the gross regulatory and governance failures continuing at Fox News after the governance changes in 2012 and its non-compliance with U.K. broadcasting standards;
 - e. the failures of MFT/the Murdochs to comply with the 1981 Undertakings in respect of The Times and the Sunday Times
 - f. the professed dislike of UK regulation by the Murdochs.
3. We believe the only conclusion that you can properly reach in the light of all of the evidence is that the Murdochs do not have a genuine commitment to the attainment of

the Broadcasting Standards, and as a result the Transaction operates against the Public Interest in respect of Broadcasting standards.